

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6294**

**BILL NUMBER: SB 47**

**DATE PREPARED:** Nov 9, 2000

**BILL AMENDED:**

**SUBJECT:** Charitable gaming.

**FISCAL ANALYST:** Jim Landers

**PHONE NUMBER:** 232-9869

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill permits a bona fide veterans organization to pay workers at the organization's charity gaming events. The bill also permits a bona fide veterans organization to hire nonmembers to work at the organization's charity gaming events.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Fiscal Impact:** While employment of paid workers under the provisions of the bill could reduce the net proceeds earned from charity gaming events conducted by bona fide veterans organizations, the bill would not have a direct fiscal impact on state revenues from either Charity Gaming License Fees or the Charity Gaming Excise Tax. However, if paid workers at charity gaming events would not have otherwise been employed, additional wages would be generated by those workers and would be subject to the state Individual Adjusted Gross Income Tax and any local option income taxes. Revenue from the Individual Adjusted Gross Income Tax is deposited in the state General Fund. However, the amount of revenue generated as a result of this proposal is not expected to be significant.

**Background:** The bill permits a bona fide veterans organization to pay workers and hire nonmembers for the purposes of conducting charity gaming events. Current law permits a bona fide civic, educational, political, religious, senior citizens, or veterans organization to hold a charity gaming license for purposes of conducting charity gaming events (bingo, charity nights, raffles, door prizes, festivals, or sale of pull tabs, punchboards, and tip boards). However, current law prohibits these organizations from providing remuneration to event workers other than meals at the events and recognition dinners or social events for the workers. Current law also requires that any worker be a member in good standing of the organization

conducting the charity gaming event.

In FY 2000, 2,115 charity gaming licences were issued by the Department of State Revenue resulting in approximately \$4.16 M in license fee receipts (some entities hold multiple licenses to conduct various types of charity gaming events). The Charity Gaming License Fee is based on the total gross revenue earned from charity gaming by a licensed organization. Charity gaming events resulted in approximately \$585.5 M in gross income during FY 2000. Organizations incurred approximately \$515.3 M in expenses conducting charity gaming events during FY 2000, with about \$70.2 M in net proceeds from charity gaming retained by the organizations. The Charity Gaming Excise Tax on pull tabs, punchboards, and tip boards is based on the wholesale price of these devices when sold to organizations by distributors and manufacturers. The Charity Gaming Excise Tax resulted in approximately \$1.2 M in revenue during FY 2000

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** see Explanation of State Revenues.

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:** Indiana Department of State Revenue, Charity Gaming Report, October 1, 2000.  
Indiana Department of State Revenue, Annual Report, October 1, 2000.